



TOM TINDALL  
Director

## County of Los Angeles INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue  
Los Angeles, California 90063

Telephone: (323) 267-2109  
FAX: (323) 263-5286

*"To enrich lives through effective and caring service"*

August 4, 2011

To: Each Supervisor

From: Tom Tindall  
Director

A handwritten signature in dark ink, reading "Tom Tindall".

Subject: **EVALUATION OF COUNTY CONTRACTORS' PRIOR PERFORMANCE  
FINAL REPORT (ITEM #14, AGENDA OF NOVEMBER 30, 2010)**

On November 30, 2010, your Board directed the Chief Executive Office (CEO), Auditor-Controller, County Counsel, and Internal Services Department (ISD) to review the use of County contractors' prior performance information in evaluating proposals, and develop a fair and consistent scoring methodology that can be used countywide.

A workgroup consisting of representatives from the above departments convened to review existing Board Policy 5.040, Contractor Performance Evaluation, and the evaluation of contractor prior performance data during the solicitation process, and to develop new processes as needed. We provided a status report to your Board in March 2011.

In parallel with this review, the Auditor-Controller, working with the CEO, ISD, and County Counsel, developed a new countywide monitoring system within the eCAPS system to report on all poorly performing contractors. The system, known as the Contractor Alert Reporting Database (CARD), has been implemented as identified in the attached memo from the Auditor-Controller dated July 11, 2011.

The previous process to evaluate contractor prior performance included the information captured in the County Contracts Database, which is primarily used by departments as an annual evaluation tool for Proposition A, construction, information technology, and cafeteria contracts. By contrast, CARD is specifically designed for reporting on poorly performing contractors involving all County contracts.

The workgroup determined that using only one system, CARD, would provide the most appropriate and consistent means to evaluate a contractor's work history in the solicitation process. The existing County Contract Database will no longer be used to score contractors in the solicitation process. However, departments will continue to use the County Contract Database to annually evaluate contractor performance. This process will allow monitoring of contractor performance issues that may not rise to the level of being placed in CARD.

Each Supervisor  
August 4, 2011  
Page 2

The Auditor-Controller has issued CARD implementation instructions with the scoring methodology, solicitation language, and sample evaluation documents to County departments. This process provides a clear and consistent practice for evaluating and scoring contractors' prior performance in competitive solicitations.

ISD has revised Board Policy 5.040, Contractor Performance Evaluation, to include the County Contract Database requirements as defined in County Fiscal Manual, and will be placing it on the Audit Committee agenda for review and approval.

If you have any questions regarding this process or the revised Board policy, please contact me at 323-267-2101.

TT:JS  
Attachment

c: ISD Board Deputies  
Chief Executive Officer  
DCEO Operations Cluster  
County Counsel  
Auditor Controller





WENDY L. WATANABE  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS  
JOHN NAIMO  
JAMES L. SCHNEIDERMAN  
JUDI E. THOMAS

July 11, 2011

TO: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

FROM: Wendy L. Watanabe  
Auditor-Controller

A handwritten signature in blue ink, reading "Wendy L. Watanabe", is written over the printed name and title.

SUBJECT: **CONTRACTOR ALERT REPORTING DATABASE FINAL REPORT**  
**(Board Agenda Item 26-C, April 27, 2010)**

This is our final status report on establishing a mechanism to alert County departments of poorly performing contracts. On April 27, 2010, your Board directed the Chief Executive Officer (CEO), Auditor-Controller (A-C), County Counsel and the Director of Internal Services (ISD) to establish a work group and report back on the following:

- An examination of what mechanisms and/or databases the County already has in place to monitor its contractors, so the County can utilize what is currently working;
- A more appropriate term than the "Do Not Call List" for the database that will track the County's poorly performing contractors;
- A clearly defined purpose of the list and a definition of poorly performing contractors;
- Clearly defined roles and responsibilities for County staff charged with updating this list;
- A mechanism to remove contractors from the list that have complied with their obligations, along with appropriate notification;



- A mechanism to notify poorly performing contractors that they will be placed on this list absent sufficient corrective action and/or restitution steps; and
- A standard report or information sheet on a monthly basis, to alert County departments of poorly performing contractors.

We issued the work group's first status report on June 7, 2010, and the second status report on September 16, 2010. This is our final status report.

### **Implementation**

In response to your Board's request, staff from the CEO, A-C and seven other County departments worked collaboratively to develop the Contractor Alert Reporting Database (CARD or System). CARD is a centralized online database for departments to track poorly performing contractors, within the County's eCAPS enterprise accounting application. CARD will improve interdepartmental oversight and communication regarding contractor performance issues.

CARD was implemented on July 1, 2011 for departments to begin posting contractor performance issues. In addition, departments will be required to use CARD to screen proposers as part of the evaluation process for solicitations issued after August 1, 2011.

CARD will allow all departments to review contractor performance issues in other departments by having the issues posted to the System. Under the CARD procedure manual, departments will be responsible for:

- Identifying performance issues that may justify placing a contractor in CARD;
- Giving contractor's due process to respond to the issue(s) before they are placed in CARD. The due process gives contractors several opportunities to resolve the issue(s) to avoid being placed in CARD;
- Placing a contractor in CARD;
- Working with contractors to resolve the issue(s) and updating a contractor's status in CARD to indicate when the issue(s) has been resolved;
- Using CARD to evaluate proposers during the contract solicitation process, including standard point deductions for contractors listed in CARD when scoring proposals that include prior County contract history.

As part of the implementation process, we have conducted CARD training classes for over 400 County managers and staff, and demonstrated the System to County executive staff and Board deputies. We also developed and distributed a CARD User Manual (Manual), which provides instructions on how to use CARD.

A-C staff will continue to provide technical support and assist County departments, on an as-needed basis, to address CARD-related concerns, such as determining when contractors should be placed in the CARD.

### **Outcome**

Implementing CARD will help improve departments' oversight of their contractors, and provide a method for sharing contractor performance issues among County departments. CARD will also help standardize the County's contract monitoring, contractor due process rights and issue resolution processes. We also expect that CARD will provide an incentive for contractors to address any performance issues before they are posted on the System. Finally, using CARD as part of the evaluation process will hold contractors more accountable for their work in all departments.

### **Acknowledgements**

We thank the CEO, County Counsel, ISD, and the Departments of Children and Family Services, Health Services, Mental Health, Public Health, and Public Social Services for their assistance in developing and implementing the CARD system.

Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:JLS:DC

c: All Department Heads  
Public Information Office  
Audit Committee